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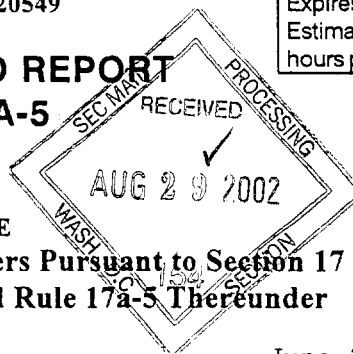
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL	
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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**



SEC FILE NUMBER
8-27394

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING July 1, 2001 AND ENDING June 30, 2002  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: GIT INVESTMENT SERVICES, INC.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

1700 North Moore Street, Suite M1E

(No. and Street)

Arlington, VA 22209-1903

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Meg Goodman (301) 652-1616 ext. 2268

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Ernst & Young

(Name - if individual, state last, first, middle name)

8484 Westpark Drive, McLean, VA 22102

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

SEP 20 2002

THOMSON  
FINANCIAL

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, Meg Goodman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GIT Investment Services, Inc., as of June 30, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Meg Goodman  
Signature

Treasurer

Title

Rosemary S. Seesz  
Notary Public

ROSEMARY S. SEESZ  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires February 1, 2005

This report \*\* contains (check all applicable boxes):

- ☐ (a) Facing Page.
- ☐ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☐ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

GIT INVESTMENT SERVICES, INC.

Statement of Financial Condition

Year ended June 30, 2002 with Report of Independent Auditors

GIT Investment Services, Inc.  
Statement of Financial Condition

Year ended June 30, 2002

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## Report of Independent Auditors

Board of Directors  
GIT Investment Services, Inc.

We have audited the accompanying statement of financial condition of GIT Investment Services, Inc. as of June 30, 2002. This statement of financial condition is the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of GIT Investment Services, Inc. at June 30, 2002, in conformity with accounting principles generally accepted in the United States.

*Ernst & Young LLP*

August 23, 2002

GIT Investment Services, Inc.  
Statement of Financial Condition

June 30, 2002

**Assets**

Cash and cash equivalents:

Bank deposits with affiliate \$ 15,204

Money market fund shares 486,077

Total cash and cash equivalents 501,281

Deposits with clearing broker 57,829

Prepaid pension cost 30,412

Accounts receivable and other assets 17,061

Total assets \$ 606,583

**Liabilities and stockholder's equity**

Liabilities:

Due to affiliate \$ 22,016

Stockholder's equity:

Common stock, \$1 par value, 50,000 shares authorized,  
26,880 shares issued and outstanding 26,880

Paid-in capital in excess of par 241,920

Retained earnings 315,767

Total stockholder's equity 584,567

Total liabilities and stockholder's equity \$ 606,583

*See accompanying notes.*

# **GIT Investment Services, Inc.**

## **Notes to Statement of Financial Condition**

June 30, 2002

### **1. Organization**

GIT Investment Services, Inc. (the Corporation) is a registered broker/dealer under the Securities Exchange Act of 1934 and a member of the National Association of Securities Dealers, Inc. The Corporation is located in Arlington, Virginia and is a wholly owned subsidiary of Bankers Finance Capital Corp. (BFCC). The Corporation and BFCC operate under common control with Presidential Bank, FSB (Presidential).

### **2. Significant Accounting Policies**

#### **Cash and Cash Equivalents**

The Corporation considers amounts invested in money market funds to be cash equivalents.

At June 30, 2002, the Corporation had an investment of \$486,077 in the form of money market fund shares in the Alliance Capital Money Market—Government Portfolio.

#### **Commissions and Fees**

The Corporation records brokerage commissions and fees revenue and related expenses when commissions and fees are earned. Commissions on securities transactions are recognized on a trade-date basis.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **3. Clearing Agreement**

Under an agreement with Investec Ernst & Co. (Ernst), the cash and margin accounts of the Corporation's customers are carried by Ernst on a fully disclosed basis. The clearing agreement also provides that Ernst shall perform other services relating to clearing and maintaining customer accounts. Pursuant to the agreement, the Corporation is required to maintain a minimum \$50,000 deposit plus accrued interest thereon, to secure obligations related to the execution of securities transactions. The agreement may be terminated by either party upon 60 days' prior written notice.

## **GIT Investment Services, Inc.**

### **Notes to Statement of Financial Condition (continued)**

#### **3. Clearing Agreement (continued)**

In the ordinary course of business, the Corporation also has debit and/or credit balances in various other accounts with Ernst.

#### **4. Income Taxes**

The Corporation is an S corporation for tax purposes as defined in Subchapter S of the Internal Revenue Code. Generally an S corporation is not subject to income taxes but rather items of income, gains, losses, deductions and credits pass through to the corporation's stockholders in determining their individual tax liabilities. Accordingly, the Corporation has no provision for income taxes.

#### **5. Related Party Transactions**

The Corporation has entered into an agreement with BFCC for certain operational support services, including the maintenance and preservation of books and records appropriate to a registered broker/dealer and the shared services of support personnel. The amount paid for these expenses is determined as the cost of direct and allocated expenses incurred by BFCC on behalf of the Corporation. During the year ended June 30, 2002, BFCC incurred \$270,687 of expenses on behalf of the Corporation that were reimbursed to BFCC pursuant to this agreement.

At June 30, 2001, the Corporation had \$15,204 deposited with Presidential, a federally insured depository institution. Interest income earned on these deposits was \$616 for the year ended June 30, 2002.

#### **6. Regulatory Requirements**

The Corporation is subject to the Securities and Exchange Commission Uniform Net Capital Rule, as amended (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, not exceed 15 to 1. At June 30, 2002, the Corporation had net capital of \$526,979, which was \$276,979 in excess of its required net capital of \$250,000 and a ratio of aggregate indebtedness to net capital of 0.05 to 1.



GIT Investment Services, Inc.

Notes to Statement of Financial Condition (continued)

**6. Regulatory Requirements (continued)**

The Corporation is exempt from the requirement of the Securities and Exchange Commission Customer Protection Rule, Rule 15c3-3, to maintain a special reserve bank account, in that the Corporation's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the rule.

The Corporation has no liabilities which are subordinated to claims of general creditors.

The Corporation does not receive payment for order flow.